

1 AN ACT concerning rural technology.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the  
5 Rural Technology Development Zone Act.

6 Section 5. Zones established. Subject to appropriation,  
7 the Department of Commerce and Community Affairs (DCCA) may  
8 implement a pilot program to designate 3 rural areas in the  
9 State as rural technology development zones. The pilot  
10 programs shall be in areas that are underserved with respect  
11 to technology development. DCCA shall determine which 3  
12 underserved areas shall be designated as technology  
13 development zones in consultation with the Illinois Commerce  
14 Commission. In designating the zones, DCCA shall specify by  
15 rule, based upon the needs and assessment inventory, the  
16 specific technology infrastructure needs of each rural  
17 technology development zone and the types of investments that  
18 will meet those needs. For each rural technology development  
19 zone designated under this Section, DCCA shall further  
20 specify all of the following:

21 (1) The boundaries of the rural technology  
22 development zone.

23 (2) The potential for increasing Internet access  
24 within the rural technology development zone.

25 (3) The specific technology infrastructure required  
26 to provide adequate Internet access within the zone and  
27 any unique needs or characteristics of the zone.

28 (4) The specific investments in technology  
29 infrastructure that will qualify for income tax credits  
30 in the zone under Section 213 of the Illinois Income Tax  
31 Act.

1 (5) Any other information DCCA deems pertinent.

2 Section 10. Report to the General Assembly. DCCA shall  
3 submit a report to the General Assembly on or before  
4 September 1, 2005 outlining the progress, if any, in  
5 improving Internet access within rural technology development  
6 zones. The report shall include, but is not limited to, the  
7 following information:

8 (1) An analysis of the changes made in technology  
9 infrastructure in the rural technology development zones  
10 to improve Internet access and the effects of those  
11 changes.

12 (2) Any available statistics concerning the amount  
13 of investments made in rural technology development  
14 zones.

15 Section 15. Rules. DCCA shall adopt any rules necessary  
16 for the administration of this Act.

17 Section 90. The Illinois Income Tax Act is amended by  
18 adding Section 213 as follows:

19 (35 ILCS 5/213 new)

20 Sec. 213. Rural technology development zone tax credit.

21 (a) For taxable years beginning on or after January 1,  
22 2004 and before January 1, 2010, each taxpayer is entitled to  
23 a credit against the tax imposed by subsections (a) and (b)  
24 of Section 201 in an amount equal to 10% of the amount of the  
25 total investment made during the taxable year by the taxpayer  
26 in technology infrastructure required to provide Internet  
27 access in rural technology development zones. This credit may  
28 be claimed only for specific capital investments in  
29 technology infrastructure that will qualify for income tax  
30 credits in the development zone as specified by the

1 Department of Commerce and Community Affairs under item (4)  
 2 of Section 5 of the Rural Technology Development Zone Act.  
 3 The credit claimed by a taxpayer under this Section shall not  
 4 exceed \$100,000 in any one taxable year.

5 (b) If the credit allowed under this Section exceeds the  
 6 income taxes otherwise due on the claimant's income, the  
 7 amount of the credit not used as an offset against income  
 8 taxes may be carried forward as a tax credit against  
 9 subsequent years' income tax liability for a period not to  
 10 exceed 10 years and shall be applied first to the earliest  
 11 years possible.

12 (c) The credit awarded under this Section is limited as  
 13 follows:

14 (1) The credit claimed shall not exceed \$100,000  
 15 per year. Qualified investments in excess of \$1,000,000  
 16 in any tax year cannot earn a credit and cannot be  
 17 carried forward.

18 (2) A partnership, S corporation, or other similar  
 19 pass-through entity or a disregarded entity may pass  
 20 through up to \$100,000 in total credit to its partners,  
 21 shareholders, or members. Each partner, shareholder, or  
 22 member's portion of the credit is determined according to  
 23 the ratio in which profits or losses of the entity are  
 24 allocated.

25 Section 99. Effective date. This Act takes effect upon  
 26 becoming law.